

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

North Pass Ltd.  
1941 Heath Parkway, Suite #1  
Fort Collins, Colorado 80524

Attention: *Kent Heitz*  
*President*

Dear Mr. Heitz:

The Bureau of Industry and Security, United States Department of Commerce ("BIS"), has reason to believe that North Pass Ltd. ("North Pass") of Fort Collins, Colorado, has committed 135 violations of the Export Administration Regulations (the "Regulations"),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979 (the "Act").<sup>2</sup> Specifically, BIS charges that North Pass committed the following violations:

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2003). The violations charged occurred between 2000 and 2003. The Regulations governing the violations at issue are found in the 2000 through the 2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2003)). The 2000-2003 Regulations define the violations that BIS has charged and the 2003 Regulations establish the procedures that apply to this matter.

<sup>2</sup> 50 U.S.C. app. §§ 2401- 2420 (2000). From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. The Act expired on August 20, 2001. Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp., p. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 7, 2003 (68 *Fed. Reg.* 47833, August 11, 2003), continues the Regulations in effect under IEEPA.

**Charges 1-135 (15 C.F.R. § 764.2(a) - Exports of Optical Sighting Devices without the Required Licenses)**

On 135 occasions, as further described in the attached schedule of violations, which is enclosed herewith and incorporated herein by reference, between on or about March 23, 2000 and on or about March 21, 2003, North Pass engaged in conduct prohibited by the Regulations by exporting optical sighting devices for firearms and associated parts, items subject to the Regulations and classified under Export Control Classification Number ("ECCN") 0A987, to various destinations without obtaining Department of Commerce licenses, as required by Sections 742.7 and 742.17 of the Regulations. In doing so, North Pass committed 135 violations of Section 764.2(a) of the Regulations.

Accordingly, North Pass is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

The maximum civil penalty allowed by law of up to \$11,000 per violation;<sup>3</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

If North Pass fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. (Regulations, Sections 766.6 and 766.7). If North Pass defaults, the Administrative Law Judge may find the charges alleged in this letter are true without hearing or further notice to North Pass. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on each of the charges in this letter.

North Pass is further notified that it is entitled to an agency hearing on the record if North Pass files a written demand for one with its answer. (Regulations, Section 766.6). North Pass is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. (Regulations, Sections 766.3(a) and 766.4).

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18). Should you have a proposal to settle this case, North Pass or its representative should transmit it to me through the attorney representing BIS named below.

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<sup>3</sup> See 15 C.F.R. § 6.4(a)(2).

North Pass Ltd.  
Charging Letter  
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The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, North Pass's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

U.S. Coast Guard ALJ Docketing Center  
40 S. Gay Street  
Baltimore, Maryland 21202-4022

In addition, a copy of North Pass's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: Peter R. Klason  
Room H-3839  
United States Department of Commerce  
14th Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

Peter R. Klason is the attorney representing BIS in this case; any communications that North Pass may wish to have concerning this matter should occur through him. He may be contacted by telephone at (202) 482-5301.

Sincerely,

Mark D. Menefee  
Director  
Office of Export Enforcement

Enclosure

**NORTH PASS, LTD.  
SCHEDULE OF VIOLATIONS**

CHARGE NUMBER	DATE OF VIOLATION	DESTINATION	COMMODITY EXPORTED	VALUE
1	March 23, 2000	Austria	HiViz sights	\$1,900.00
2	April 11, 2000	Finland	HiViz sights	\$3,168.00
3	April 13, 2000	Sweden	HiViz sights	\$4,820.00
4	April 19, 2000	Thailand	HiViz sights	\$1,265.00
5	May 11, 2000	Canada	HiViz sights	\$83.28
6	May 12, 2000	Canada	HiViz sights	\$62.40
7	May 31, 2000	Canada	HiViz sights	\$205.88
8	June 26, 2000	Russia	HiViz sights	\$1,425.00
9	August 10, 2000	Canada	HiViz sights	\$1,880.42
10	August 11, 2000	Ireland	HiViz sights	\$50.00
11	September 1, 2000	Finland	HiViz sights	\$2,781.00
12	October 5, 2000	Canada	HiViz sights	\$154.80
13	October 12, 2000	Peru	HiViz sights	\$836.00
14	October 13, 2000	Ireland	HiViz sights	\$49.90

**NORTH PASS, LTD.  
SCHEDULE OF VIOLATIONS**

CHARGE NUMBER	DATE OF VIOLATION	DESTINATION	COMMODITY EXPORTED	VALUE
15	October 24, 2000	Canada	HiViz sights	\$127.50
16	November 1, 2000	Mexico	HiViz sights	\$1,140.00
17	November 9, 2000	Thailand	HiViz sights	\$1,360.00
18	January 19, 2001	Sweden	HiViz sights	\$248.85
19	January 25, 2001	Canada	HiViz sights	\$5,316.30
20	January 30, 2001	Mexico	HiViz sights	\$1,319.50
21	January 31, 2001	Canada	HiViz sights	\$7,149.95
22	February 2, 2001	Canada	HiViz sights	\$360.00
23	February 19, 2001	Canada	HiViz sights	\$654.05
24	March 6, 2001	Hong Kong	HiViz sights	\$632.50
25	March 21, 2001	Sweden	HiViz sights	\$287.60
26	April 25, 2001	Canada	HiViz sights	\$964.50
27	April 27, 2001	Canada	HiViz sights	\$523.75
28	May 2, 2001	Hong Kong	HiViz sights	\$420.00
29	May 3, 2001	Canada	HiViz sights	\$166.35

**NORTH PASS, LTD.  
SCHEDULE OF VIOLATIONS**

CHARGE NUMBER	DATE OF VIOLATION	DESTINATION	COMMODITY EXPORTED	VALUE
30	May 10, 2001	Sweden	HiViz sights	\$346.47
31	May 18, 2001	Thailand	HiViz sights	\$1,156.25
32	May 18, 2001	Finland	HiViz sights	\$2,750.94
33	May 30, 2001	Canada	HiViz sights	\$5,548.85
34	June 25, 2001	Sweden	HiViz sights	\$25.95
35	July 31, 2001	Mexico	HiViz sights	\$1,319.50
36	August 6, 2001	Switzerland	HiViz sights	\$39.95
37	August 7, 2001	Sweden	HiViz sights	\$649.00
38	August 16, 2001	Russia	HiViz sights	\$1,551.60
39	August 16, 2001	Hong Kong	HiViz sights	\$466.36
40	August 16, 2001	Canada	HiViz sights	\$254.01
41	September 11, 2001	Peru	HiViz sights	\$812.00
42	September 19, 2001	Canada	HiViz sights	\$930.30
43	September 24, 2001	Brazil	litepipes	\$22.77
44	October 26, 2001	Lebanon	HiViz components	\$630.00
45	November 30, 2001	Mexico	HiViz sights	\$1,319.50
46	December 4, 2001	Russia	HiViz sights	\$1,125.00

**NORTH PASS, LTD.  
SCHEDULE OF VIOLATIONS**

CHARGE NUMBER	DATE OF VIOLATION	DESTINATION	COMMODITY EXPORTED	VALUE
47	December 19, 2001	Canada	HiViz sights	\$1,135.50
48	December 21, 2001	Sweden	HiViz sights	\$1,125.50
49	January 10, 2002	Thailand	HiViz sights	\$283.00
50	January 31, 2002	Canada	HiViz sights	\$8,086.80
51	February 5, 2002	Lebanon	HiViz sights	\$610.50
52	February 6, 2002	Lebanon	HiViz sights	\$909.36
53	February 18, 2002	Canada	HiViz sights	\$583.20
54	February 19, 2002	Cyprus	HiViz sights	\$1,044.00
55	February 19, 2002	Venezuela	HiViz sights	\$1,197.00
56	February 22, 2002	Canada	HiViz sights	\$423.90
57	February 28, 2002	Brazil	HiViz sights	\$1,026.25
58	February 28, 2002	Finland	HiViz sights	\$57.30
59	March 1, 2002	Sweden	HiViz sights	\$252.50
60	March 4, 2002	Cyprus	HiViz sights	\$128.00
61	March 6, 2002	Philippines	HiViz sights	\$123.30
62	March 7, 2002	Lebanon	HiViz sights	\$190.05
63	March 7, 2002	Canada	HiViz sights	\$41.40

**NORTH PASS, LTD.  
SCHEDULE OF VIOLATIONS**

CHARGE NUMBER	DATE OF VIOLATION	DESTINATION	COMMODITY EXPORTED	VALUE
64	March 7, 2002	Finland	HiViz sights	\$6.40
65	March 12, 2002	Canada	HiViz sights	\$1,735.20
66	March 18, 2002	Lebanon	HiViz sights	\$259.20
67	March 19, 2002	Ireland	HiViz sights	\$487.80
68	March 20, 2002	Ireland	HiViz sights	\$336.60
69	March 22, 2002	Ireland	HiViz sights	\$861.70
70	March 25, 2002	Canada	HiViz sights	\$347.50
71	March 26, 2002	Canada	HiViz sights	\$534.00
72	April 1, 2002	Canada	HiViz sights	\$19.80
73	April 1, 2002	Cyprus	HiViz sights	\$133.50
74	April 1, 2002	Finland	HiViz sights	\$8.90
75	April 8, 2002	Brazil	HiViz sights	\$44.40
76	April 10, 2002	Finland	HiViz sights	\$3,202.75
77	April 11, 2002	Finland	HiViz sights	\$2,547.00
78	April 16, 2002	South Africa	HiViz sights	\$1,090.80
79	April 18, 2002	Brazil	HiViz sights	\$253.00
80	May 3, 2002	Venezuela	HiViz sights	\$81.00

**NORTH PASS, LTD.  
SCHEDULE OF VIOLATIONS**

CHARGE NUMBER	DATE OF VIOLATION	DESTINATION	COMMODITY EXPORTED	VALUE
81	May 22, 2002	Finland	HiViz sights	\$3,509.25
82	May 31, 2002	Sweden	HiViz sights	\$1,093.10
83	June 5, 2002	Finland	HiViz sights	\$1,660.00
84	June 5, 2002	Lebanon	HiViz sights	\$1,320.00
85	June 14, 2002	Canada	HiViz sights	\$379.80
86	July 1, 2002	Canada	HiViz sights	\$46.50
87	July 8, 2002	Malaysia	HiViz sights	\$200.85
88	July 8, 2002	Venezuela	HiViz sights	\$526.80
89	July 9, 2002	Austria	HiViz sights	\$1,244.00
90	July 11, 2002	Finland	HiViz sights	\$2,285.00
91	July 22, 2002	Russia	HiViz sights	\$1,968.00
92	July 23, 2002	Mexico	HiViz sights	\$1,313.00
93	July 29, 2002	Hong Kong	HiViz sights	\$378.00
94	July 30, 2002	Finland	HiViz sights	\$2,870.70
95	August 7, 2002	Hong Kong	HiViz sights	\$441.50
96	August 7, 2002	Finland	HiViz sights	\$1,919.00
97	August 15, 2002	Sweden	HiViz sights	\$243.00

**NORTH PASS, LTD.  
SCHEDULE OF VIOLATIONS**

CHARGE NUMBER	DATE OF VIOLATION	DESTINATION	COMMODITY EXPORTED	VALUE
98	August 15, 2002	Finland	HiViz sights	\$32.40
99	August 15, 2002	Canada	HiViz sights	\$2,909.70
100	August 19, 2002	Thailand	HiViz sights	\$917.00
101	August 19, 2002	Canada	HiViz sights	\$89.70
102	August 20, 2002	Ireland	HiViz sights	\$400.25
103	August 22, 2002	Canada	HiViz sights	\$99.70
104	August 30, 2002	Finland	HiViz sights	\$2,078.70
105	September 3, 2002	Mexico	HiViz sights	\$1,515.00
106	September 12, 2002	Taiwan	HiViz sights	\$6,090.30
107	September 13, 2002	Canada	HiViz sights	\$89.70
108	September 17, 2002	Ireland	HiViz sights	\$807.50
109	September 24, 2002	Ireland	HiViz sights	\$1,433.20
110	September 30, 2002	Lebanon	HiViz sights	\$1,313.00
111	October 3, 2002	Canada	HiViz sights	\$136.20
112	October 31, 2002	Estonia	HiViz sights	\$961.00
113	November 6, 2002	Ireland	HiViz sights	\$1,081.00
114	November 15, 2002	Canada	HiViz sights	\$323.20

**NORTH PASS, LTD.  
SCHEDULE OF VIOLATIONS**

CHARGE NUMBER	DATE OF VIOLATION	DESTINATION	COMMODITY EXPORTED	VALUE
115	November 27, 2002	Finland	HiViz sights	\$665.60
116	December 12, 2002	Lebanon	HiViz sights	\$700.00
117	December 20, 2002	Venezuela	HiViz sights	\$1,341.00
118	January 13, 2003	Mexico	HiViz sights	\$1,515.00
119	January 13, 2003	Finland	HiViz sights	\$1,218.00
120	January 15, 2003	South Africa	HiViz sights	\$280.80
121	January 16, 2003	Canada	HiViz sights	\$1,554.45
122	January 27, 2003	Ireland	HiViz sights	\$81.00
123	January 28, 2003	Brazil	HiViz sights	\$1,875.00
124	January 31, 2003	Canada	HiViz sights	\$169.80
125	February 3, 2003	Russia	HiViz sights	\$505.00
126	February 11, 2003	Brazil	HiViz sights	\$1,470.00
127	February 18, 2003	Brazil	HiViz sights	\$107.65
128	February 18, 2003	Sweden	HiViz sights	\$266.50
129	February 19, 2003	Peru	HiViz sights	\$2,098.80
130	February 20, 2003	Brazil	HiViz sights	\$30.00
131	February 20, 2003	Philippines	HiViz sights	\$1,394.10

**NORTH PASS, LTD.  
SCHEDULE OF VIOLATIONS**

CHARGE NUMBER	DATE OF VIOLATION	DESTINATION	COMMODITY EXPORTED	VALUE
132	February 27, 2003	Brazil	HiViz sights	\$46.75
133	March 5, 2003	Finland	HiViz sights	\$1,622.00
134	March 12, 2003	Canada	HiViz sights	\$5,867.40
135	March 21, 2003	Canada	HiViz sights	\$721.05

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY  
WASHINGTON, D.C. 20230

In the Matter of: )  
)  
North Pass Ltd. )  
1941 Heath Parkway, Suite #1 )  
Fort Collins, Colorado 80524 )  
)  
Respondent. )  
)

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Respondent, North Pass Ltd. ("North Pass"), and the Bureau of Industry and Security, U.S. Department of Commerce ("BIS") (collectively referred to as "Parties"), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2004)) ("Regulations"),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) ("Act"),<sup>2</sup>

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<sup>1</sup> The violations charged occurred between 2000 and 2003. The Regulations governing the violations at issue are found in the 2000 through 2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2003)). The 2004 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 6, 2004 (69 *Fed. Reg.* 48763, August 10, 2004), has continued the Regulations in effect under the IEEPA.

WHEREAS, BIS has notified North Pass of its intention to initiate an administrative proceeding against North Pass, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a proposed charging letter to North Pass that alleged that North Pass committed 135 violations of the Regulations, specifically:

1. *135 Violations of 15 C.F.R. §764.2(a) - Exports of Gun Sighting Devices and Parts for Such Devices Without the Required Licenses:* On 135 occasions, between on or about March 23, 2000 and on or about March 21, 2003, North Pass engaged in conduct prohibited by the Regulations by exporting optical sighting devices for firearms and associated parts, items subject to the Regulations and classified under Export Control Classification Number 0A987, to various destinations without obtaining Department of Commerce licenses, as required by Sections 742.7 and 742.17 of the Regulations.

WHEREAS, North Pass has reviewed the proposed charging letter and is aware of the allegations made against it and the administrative sanctions which could be imposed against it if the allegations are found to be true;

WHEREAS, North Pass fully understands the terms of this Agreement and the Order (“Order”) that the Assistant Secretary of Commerce for Export Enforcement will issue if she approves this Agreement as the final resolution of this matter;

WHEREAS, North Pass enters into this Agreement voluntarily and with full knowledge of its rights;

WHEREAS, North Pass states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, North Pass neither admits nor denies the allegations contained in the proposed charging letter;

WHEREAS, North Pass wishes to settle and dispose of all matters alleged in the proposed charging letter by entering into this Agreement; and

WHEREAS, North Pass agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over North Pass, under the Regulations, in connection with the matters alleged in the proposed charging letter.

2. The following sanction shall be imposed against North Pass in complete settlement of the violations of the Regulations relating to the transactions detailed in the proposed charging letter:

- a. North Pass shall be assessed a civil penalty in the amount of \$214,500, of which \$13,406 shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order; \$13,406 shall be paid to the U.S. Department of Commerce not later than April 30, 2005; \$13,406 shall be paid to the U.S. Department of Commerce not later than July 31, 2005; and \$13,407 shall be paid to the U.S. Department of Commerce not later than November 30, 2005. Payment of the remaining \$160,875 shall be suspended until December 31, 2005, and thereafter shall be waived, provided that during the period of suspension, North

Pass has committed no violations of the Act, or any regulation, order, or license issued thereunder and North Pass has made the payment of \$53,625 described above in a timely manner. Payment shall be made in the manner specified in the attached instructions.

- b. The timely payment of the civil penalty agreed to in paragraph 2.a. is hereby made a condition to the granting, restoration, or continuing validity of any export license, License Exception, permission, or privilege granted, or to be granted, to North Pass. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of North Pass's export or reexport privileges for a period of one year from the date of imposition of the penalty.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, North Pass hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if entered), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in the proposed charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered; (c) request any relief from the Order, if entered, including without limitation relief from the terms of a denial order under 15 C.F.R. § 764.3(a)(2); and (d) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. Upon entry of the Order and timely payment of the \$53,625 civil penalty, BIS will not initiate any further administrative proceeding against North Pass in connection with any violation

of the Act or the Regulations arising out of the transactions detailed in the proposed charging letter.

5. BIS will make the proposed charging letter, this Agreement, and the Order, if entered, available to the public.

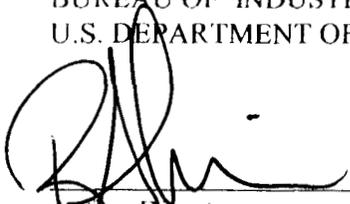
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

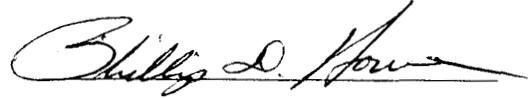
8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

BUREAU OF INDUSTRY AND SECURITY,  
U.S. DEPARTMENT OF COMMERCE

  
\_\_\_\_\_  
Acting Director  
Office of Export Enforcement

NORTH PASS LTD.

  
\_\_\_\_\_

Date: JAN 26 2005

Date: 1/7/05

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY  
WASHINGTON, D.C. 20230

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In the Matter of: )  
 )  
North Pass Ltd. )  
1941 Heath Parkway, Suite #1 )  
Fort Collins, Colorado 80524 )  
 )  
Respondent. )  

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ORDER

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified North Pass Ltd. (“North Pass”) of its intention to initiate an administrative proceeding against North Pass pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2004)) (“Regulations”)<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),<sup>2</sup> by issuing a proposed charging letter issued to North Pass that alleged that North Pass committed 135 violations of the Regulations. Specifically, the charges are:

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<sup>1</sup> The violations charged occurred between 2000 and 2003. The Regulations governing the violations at issue are found in the 2000 through 2003 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2003)). The 2004 Regulations establish the procedures that apply to this matter.

<sup>2</sup> From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 6, 2004 (69 *Fed. Reg.* 48763 (August 10, 2004)), has continued the Regulations in effect under the IEEPA.

1. *135 Violations of 15 C.F.R. §764.2(a) - Exports of Gun Sighting Devices and Parts for Such Devices Without the Required Licenses:* On 135 occasions, between on or about March 23, 2000 and on or about March 21, 2003, North Pass engaged in conduct prohibited by the Regulations by exporting optical sighting devices for firearms and associated parts, items subject to the Regulations and classified under Export Control Classification Number 0A987, to various destinations without obtaining Department of Commerce licenses, as required by Sections 742.7 and 742.17 of the Regulations.

Whereas, BIS and North Pass having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and

Whereas, I have approved the terms of the Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$214,500 is assessed against North Pass, of which \$13,406 shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order; \$13,406 shall be paid to the U.S. Department of Commerce not later than April 30, 2005; \$13,406 shall be paid to the U.S. Department of Commerce not later than July 31, 2005; and \$13,407 shall be paid to the U.S. Department of Commerce not later than November 30, 2005. Payment of the remaining \$160,875 shall be suspended until December 31, 2005, and thereafter shall be waived, provided that during the period of suspension, North Pass has committed no violations of the Act, or any regulation, order, or license issued thereunder and North Pass has made the payment of \$53,625 described above in a timely manner. Payment shall be made in the manner specified in the attached instructions.

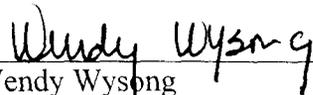
Order  
North Pass Ltd.  
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SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, North Pass will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, License Exception, permission, or privilege granted, or to be granted, to North Pass. Accordingly, if North Pass should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of North Pass' export privileges for a period of one year from the date of entry of this Order.

FOURTH, that the proposed charging letter, the Settlement Agreement, and this Order shall be made available to the public.

This Order, which constitutes the final agency action in this matter, is effective immediately.

  
\_\_\_\_\_  
Wendy Wysong  
Acting Assistant Secretary of Commerce  
for Export Enforcement

Entered this 1st day of February 2005